

DEFENSE LOGISTICS AGENCY

MARCH – APRIL 2013

LOGLINES



Keeping the Coast Guard
ALWAYS READY



Special Pullout in This Issue
Director's Guidance 2013

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from the

DIRECTOR

Navy Vice Adm. Mark Harnitchek, USN
Director, Defense Logistics Agency

Every day DLA employees are engaged with our partners and customers in government, industry, the combatant commands and the military services to ensure we provide the best logistics support possible to America's Warfighters.

In 2006, we began a partnership with the U.S. Coast Guard that will continue to grow in the years to come. While the Coast Guard does not fall under the Department of Defense, these brave men and women are still Warfighters, and they need and deserve the same level of customer service and support we provide the other military services.

Since its birth in 1790, the Coast Guard has grown and its mission has expanded significantly. The service began as a fleet of 10 vessels charged with enforcing the government's tariff and trade laws at sea, and then assumed the

U.S. Life-Saving Service mission more than a century later. Today, the Coast Guard has 42,000 men and women on active duty, along with reservists and civil servants, who conduct 11 missions ranging from drug interdiction to search and rescue. This calls for a range of supply and logistics support requirements — some common to all the military services, others unique to the Coast Guard's various platforms and missions.

DLA is helping to meet those requirements. We currently provide fuel and some of the consumable items the service needs to operate. Going forward, DLA and the Coast Guard will look for ways to strengthen our partnership to find areas where DLA can extend our logistics capabilities to help the Coast Guard achieve its cost savings and efficiency goals. No one knows logistics like DLA, so it makes sense for us to take on the logistics challenges and allow the Coast Guard to focus on its core mission areas.

At DLA, 2013 is the year of execution, when innovative ideas become significant actions we execute in big ways. Like the Coast Guard, DLA has evolved, and with every new mission or undertaking, this agency's workforce has become more agile and effective.

The Coast Guard's motto is "Semper Paratus," or "Always Ready." We will continue to do our part to ensure they stay that way.



LOGLINES

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DLA Director
Navy Vice Adm. Mark Harnitchek

DLA Vice Director
Ted Case

Chief of Staff
Renee L. Roman

Director, Public Affairs
Douglas Ide

Deputy Director, Public Affairs
Jack Hooper

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LOGLINES STAFF

Managing Editor: Kathleen T. Rhem

Editor: Jacob Boyer

Layout/Design: Paul Henry Crank

Writers: Beth Reece

Sara Moore

Amanda Neumann

Lally Laksbergs

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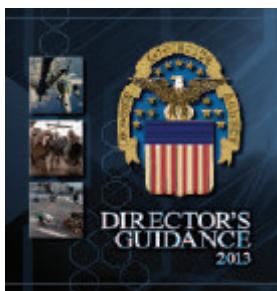
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Keeping the Coast Guard

ALWAYS READY

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— Photo by Coast Guard Chief Petty Officer Tom Sperduto



United States Coast Guard



Expanding Partnership

Story by Sara Moore



Coast Guard and emergency medical personnel transfer a survivor of a fishing vessel accident from a rescue helicopter to an ambulance in Portage Bay, Alaska. The Coast Guard performs many critical missions, and logistics support from DLA helps the service stay ready and responsive.

— Photo by Coast Guard Petty Officer 2nd Class Charly Hengen

Between drug interdiction, coastal security, search-and-rescue missions, marine environmental protection, migrant interdiction and responses to natural disasters, the Coast Guard is as busy as the four Defense Department military services, though it isn't often in the spotlight. With so many varied missions, the Coast Guard is looking to increase its effectiveness by partnering with the Defense Logistics Agency for logistics support, and

DLA is happy to oblige an existing customer and expand its support base.

DLA is a recognized expert in logistics, and both sides agree that the possibilities for expanding agency support to the Coast Guard are numerous. And with a Coast Guard

presence on land, at sea and in the air, it isn't only the sky that's the limit.

DLA's relationship with the Coast Guard dates back to 2006, when the service signed an agreement with DLA Energy for energy procurement support, said Barbara Shaffer, the customer account manager for the Coast Guard in DLA Logistics Operations. That particular agreement is still in place, and in fiscal 2012, the Coast Guard purchased about \$211 million in fuel from DLA Energy.

Since 2006, DLA and the Coast Guard have established several other agreements, Shaffer said, including performance-based agreements for both engineering and cataloguing support and a January 2011 interagency agreement that established a formal relationship between the two entities and set the stage for expanding support in the future. DLA



United States Coast Guard



Coast Guard Petty Officer 1st Class Matthew Schofield

and the Coast Guard have been actively working toward that expansion and now have a draft version of an overarching performance-based agreement that would cover such metrics as material availability, perfect order fulfillment and logistics responses.

DLA already manages consumable items — those that won't be replaced, like uniforms and food — that are common to the other military services, for the Coast Guard, Shaffer said. And because the agency is working with the Coast Guard to expand that support to service-unique items, this agreement is important in setting support standards.

"Whether it's the common items that we currently sell to them or unique items that they decide they want us to be the item manager for, the [performance-based agreement] says that we'll provide them with a certain material availability and an agreed-upon rate of perfect order fulfillment, and the logistics response time," she said.

Based on interest from the Coast Guard, DLA has already begun managing some service-unique consumable items for the service. On Nov. 1, DLA assumed responsibility for all the unique items on the Coast Guard's 87-foot coastal patrol boats, the most numerous vessel in its fleet. The agency worked closely with the Coast Guard to identify the unique items needed for these boats that meet DLA's stockage criteria, Shaffer said. Ultimately, about 150 items were

Crew members aboard the USCG Cutter Hollyhock load oil spill recovery gear in the vessel's cargo hold while moored at Coast Guard Station St. Ignace, Mich. DLA hopes to expand its support to the Coast Guard to cover more of the service's unique items.

transferred to DLA's management, joining the 330 common items the agency already managed for that specific boat. DLA and the Coast Guard are now working on the next platform, which will be the 110-foot coastal patrol boat, she said. The service will likely work with DLA on transferring item management for other platforms in the future, she said.

"[The Coast Guard wants] to lean forward and leverage DLA's capabilities wherever it makes sense and wherever they can achieve efficiencies by doing so," Shaffer said.

On the Coast Guard's side, a major motivation for expanding its partnership with DLA is the modernization of its fleet and logistics procedures, said Dennis Crimiel, deputy chief of the Office of Logistics at Coast Guard Headquarters. The service is in the process of updating its information technology platforms and inventory procedures. As this process goes forward, the service is looking for opportunities to increase efficiency, he said.

"When you look at the Coast Guard,

Photo courtesy U.S. Coast Guard



its 42,000 servicemen and civilians and reservists, we're a small entity compared to the other services," Crimiel said. "We recognize that there are some functions that are not our core competencies, like managing warehouses and buying parts. ... So what we want to do, whether it's with DLA or any other interagency partner, if there's a way that we can leverage a capability that's a core capability and a core function of that agency or service, we're more than willing to take a look at doing that."

The Coast Guard may be small, but DLA's goal is to bring it up to the same level of support as the other military services, where the agency responds to whatever needs the service has and

Coast Guardsmen attached to the USCG Cutter Northland maneuver during the interdiction of 3,500 pounds of cocaine from a vessel in the Caribbean Sea. DLA is expanding its support to the Coast Guard so the service can free up its assets for critical missions like this.

uses its broad industrial base to fulfill logistics requirements, said David Kless, national account manager for international and federal programs in DLA Logistics Operations. When it comes to purchasing and managing consumable items, he said, the Coast Guard will save a lot of time and money by using DLA's capabilities. Because of its similar missions to the other services, many of the supply sources the Coast Guard uses are the same sources DLA uses, but DLA often gets a better price because of the established relationships it has and the amount of materials it purchases, he said.

"By leveraging DLA's buying power and leveraging the economies of scale, the Coast Guard would be able to get the material they need at a more cost-effective price," he noted.

In addition to managing consumables, DLA and the Coast Guard are looking at many other areas of expanding support, like warehousing, cataloguing, training, hazardous material management and procurement of items repaired at depot level to increase their life cycles.

Coast Guard logistics leaders came to DLA Headquarters Nov. 30 for a DLA-Coast Guard executive-level review, in

Defense Logistics Agency Logistics Information Service

Streamlining Support Services

A performance-based agreement signed in May 2012 allows the Defense Logistics Agency Logistics Information Service to provide provisioning and cataloging support to the Coast Guard. One way to streamline support involves DLA Logistics Information Service's assistance in screening for existing national stock numbers, identifying possible item substitutes and logistics data discrepancies, as well as providing naming and classification information.

DLA Logistics Information Service support to the Coast Guard in fiscal 2013:

- 100 hours of cataloging for fast response cutters.
- A new military interdepartmental purchase request allowing transfer of funds for specific work to support small response boats under the existing performance-based agreement.
- Assignment of 63 new Coast Guard-managed NSNs for the fast response cutters.



United States Coast Guard

which representatives discussed these and other possible avenues for DLA support to the Coast Guard. Leaders from both sides agreed that the time is ripe for expanded DLA support to the Coast Guard, especially as federal agencies look for ways to trim budgets and increase efficiency.

"In the current climate that we're in with budget constraints, we have a real obligation to look and see how we might be able to be more efficient and more effective as entities of the federal government and work together better," Rear Adm. Ronald Rabago, the Coast Guard's assistant commandant for engineering and logistics, said at the review. Rabago noted that over the years, he has seen the benefit of doing business with DLA grow as the agency's operations have become more efficient and encompassed more areas.

Rabago pointed out that the flexibility of working with DLA instead of working with commercial vendors has helped the Coast Guard immensely. He cited the example of the response to Hurricane Sandy, when residents along the East

"We have a real obligation to look and see how we might be able to be more efficient and more effective as entities of the federal government and work together better."

— *Coast Guard Rear Adm.
Ronald Rabago*

Coast urgently needed fuel. Working with DLA, the Coast Guard was able to meet those requirements through one-time buys and other means, he said, whereas working with a commercial vendor would have restricted the options.

Coast Guard leaders have taken an interest in how DLA has expanded its partnerships with the other services, especially after the 2005 Base Realignment and Closure legislation that transferred many new responsibilities to the agency, Crimiel said. Those leaders have watched as DLA took over depot maintenance functions and warehousing for the services,

for instance, and have seen opportunities to leverage those capabilities and reduce costs, he said.

"As we look at our shrinking budgets down the line, ... if it makes more sense for us to leverage the capability of someone who really does it well as one of their functions, then we're looking to do that," he said. "It will make more sense for us in the future, because we know that we're going to get smaller in terms of personnel and infrastructure."

Currently, DLA supports the Coast Guard through all of its supply chains. In fiscal 2012, DLA made more than \$285 million of sales to the Coast Guard. More than \$211 million of that was energy procurement, and the rest consisted of items across the other supply chains, Kless said. Of the non-energy sales, the aviation and maritime supply chains had the highest dollar value, due mostly to the cost of the materials, he said. DLA Logistics Information Service also provides cataloguing support to the Coast Guard, which Crimiel cited as being extremely helpful in freeing up resources for core missions.

"We as a service have been able to leverage [this partnership] across all commodities, including uniforms, energy, fuel, clothing and textiles, spare parts. I think we're truly engaged with DLA, and I think that as we continue to work together more, we'll find more opportunities to explore," Crimiel said.

The Coast Guard and DLA are actively engaged now in expanding their partnership, Kless said, and as they work on one area of support, conversations naturally lead to other areas to explore. The Coast Guard is now becoming interested in DLA's new initiatives and how it can be brought into the fold as a full partner with the agency, he said.

"In the past, as we've developed



Coast Guard Petty Officer 2nd Class Nick Areneen

Coast Guardsmen with the USCG Cutter Northland unload 3,500 pounds of cocaine seized in the Caribbean Sea. The Coast Guard has unique missions, like drug interdiction, but many of the same needs as the other services, making it a logical partner with the Defense Logistics Agency.

A Coast Guardsman takes fried chicken out of a fry basket in the galley aboard USCG Cutter Dallas. DLA supports many of the Coast Guard's vessels with its prime vendor subsistence contracts.

Coast Guard Petty Officer 2nd Class Patrick Kelley

or looked at new initiatives, we've looked across the four services. Well, now we're looking across the five services," Kless said. "The Coast Guard is helping participate in the requirements development. So instead of coming in after requirements have been developed and the solution's in place, they're helping shape and determine the requirements, which is more of a partnership."

This expanded partnership benefits the Coast Guard by freeing up resources for core missions and increasing logistics efficiency, but it also benefits DLA by expanding the agency's customer base, Kless said. In many ways, DLA's support to the Coast Guard can be seen as a model for future support to other federal agencies outside of the Defense Department, which is an expansion the agency is interested in making, he said. The Coast Guard looks much like a traditional military service, but the same concept used to support it could be applied to other federal agencies that have much different missions, he noted.

"We're using the same concept and approach of any logistics capability DLA currently has. We could apply that capability to other federal agencies to meet their logistics needs," he said. "That's what this team is doing across the board, going out to non-traditional customers – federal agencies and state and local agencies – and expanding DLA's customer base. ... As our traditional customer base is drawing down and we anticipate reduced business with our traditional customers, one of the director's initiatives is go out and expand the customer base." ☀





Sustaining the Mis

Story by Sara Moore

Despite their many different missions, all the military services need the same basic things – like food, uniforms and equipment – to survive. The Coast Guard is no different, and that's why it works with Defense Logistics Agency Troop Support to keep its members mission-ready.

DLA Troop Support provides items to the Coast Guard from all its supply chains and supports a wide range of installations, vessels and missions. In fiscal 2012, the Coast Guard purchased \$37.7 million worth of material from the subsistence, medical, clothing and textiles, industrial hardware, and construction and equipment supply chains.

DLA Troop Support has been working with the Coast Guard for several years, with the relationship expanding over time, said Nancy Smisko, customer support liaison for Navy and non-Defense Department customers in the DLA Troop Support Customer Operations Directorate. The 2011 interagency agreement between DLA and the Coast Guard solidified DLA's relationship with the Coast Guard and helped pave the way for additional

opportunities with the Coast Guard.

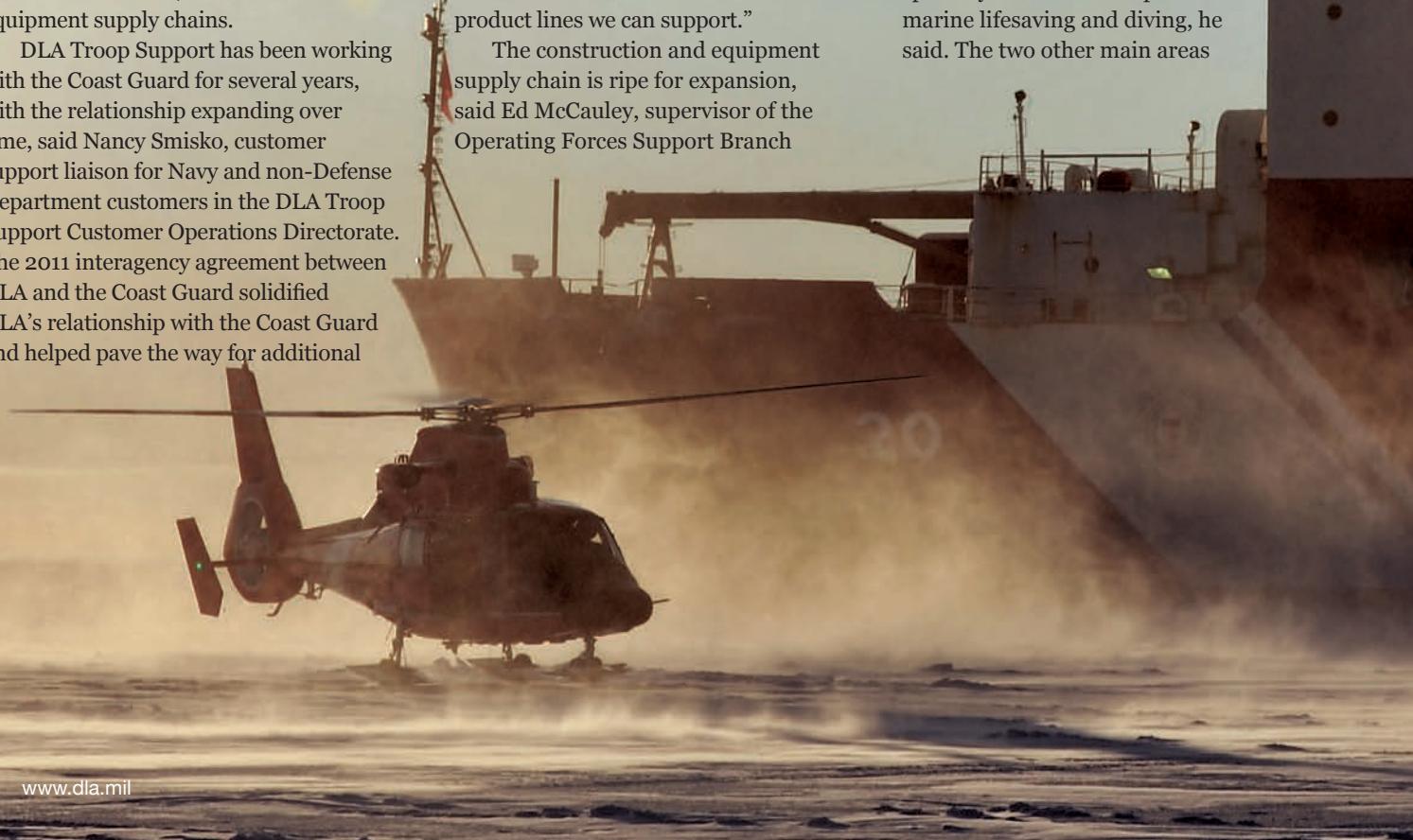
For example, DLA Troop Support's construction and equipment supply chain worked with the Coast Guard's deployment operations group to supply commercial items needed for special operations, she said. DLA Troop Support also provides many different items, and the service is working to identify more areas of support, she said.

"We treat all customers the same, and we give outstanding support," Smisko said. "If DLA leaders identify some more areas of business where they feel we can support the Coast Guard, then we can work with those individuals and brief them on the product lines we can support."

The construction and equipment supply chain is ripe for expansion, said Ed McCauley, supervisor of the Operating Forces Support Branch

Customer Operations Directorate. The supply chain supports the Coast Guard with several items, he said, but its business with the Coast Guard accounts for only a fraction of its sales, \$8.48 million out of \$2.8 billion in fiscal 2012. Most of the sales DLA Troop Support Construction and Equipment makes to the Coast Guard fall within the two areas McCauley has authority over: fire and emergency services equipment and special operational equipment.

These areas include items the Coast Guard needs to perform search-and-rescue missions and specialty missions like operational marine lifesaving and diving, he said. The two other main areas



sion



A Coast Guard MH-65 Dolphin helicopter crew lands on an ice sheet near Nome, Alaska. DLA Troop Support helps ensure Coast Guard boats and cutters have everything they need for their various missions.

— Photo by Coast Guard Petty Officer 2nd Class Eric J. Chandler



United States Coast Guard



Coast Guard Petty Officer 1st Class NyxLyno Cangemi

Coast Guardsmen review a fuel oil transfer system in an engine room aboard a Coast Guard vessel. DLA provides uniforms and food for the service.

DLA provides every piece of clothing that goes into new recruits' initial clothing issue bags, and the uniform distribution center buys all its clothing from DLA to support Coast Guard members around the world, Colello said.

Because the Coast Guard is a small service and its uniforms are different from the other military services, DLA Troop Support isn't able to buy the same large quantities of uniforms as it does for the other services, Colello said. This presents a challenge, he said, but one that is easily overcome due to the close relationship DLA has with its vendors and with the Coast Guard. Indeed, the first-time fill rate, which is DLA Troop Support's measure of effectiveness in recruit training centers, has been 100 percent for the past five years for the Coast Guard.

"The size of the service and the fact that 95 percent of our sales go to those two locations allow us to maintain that close and intimate relationship with them," Colello said. "Because of the Coast Guard's size and low number of customers, we're literally on a first-name basis with them."

One of the ways DLA Troop Support maintains a close relationship with the Coast Guard is through in-person coordination with customer account specialists. Patti Neill, a customer account specialist in DLA Troop Support Clothing and Textiles, has been working with the Coast Guard since 2006 and spends countless hours communicating with the Coast Guard's program managers and logisticians. She also travels to the uniform distribution center once a week to work on site with Coast Guard staff on their uniform needs.

"They are quite a challenge to outfit

the supply chain does business with the Coast Guard in areas like metals and maintenance, repair and operation prime vendor contracts. While DLA Troop Support Construction and Equipment does some business with the Coast Guard in other areas like building materials, commercial hardware, and lumber, McCauley said he thinks the service could tap many more resources DLA Troop Support has to offer.

"The Coast Guard is involved in several different things, not only protection of the coastline, which is enormous, but drug interdiction and emergency rescues, and support after hurricanes and major disasters," McCauley said. "So they really perform a critical mission. Now obviously, their budget is not going to be as high as the Army, Navy or Air Force, but they certainly order and need the kinds of supplies that we can supply in DLA, and particularly in C&E."

McCauley said he sees room for expansion in many areas in construction and equipment, including building

and maintenance materials for onshore facilities, heavy equipment procurement, and even special operational equipment. By partnering more with DLA in these areas, he said, the Coast Guard could take advantage of the agency's contracting expertise and established relationships with prime vendors. DLA has very low cost-recovery rates, fast turnaround times and access to state-of-the-art equipment, he said.

The benefits DLA brings apply not only to the construction and equipment supply chain, but also to the other DLA Troop Support supply chains, such as clothing and textiles, which supplies some essential items to the Coast Guard.

DLA Troop Support is the main supplier of uniforms and clothing for the Coast Guard, said Gary Colello, director of customer operations for DLA Troop Support Clothing and Textiles. DLA's support is focused on two main hubs: U.S. Coast Guard Training Center Cape May, N.J., and the U.S. Coast Guard Uniform Distribution Center in Woodbine, N.J. At the training center,

because they are a smaller service," Neill said. "But they have service members executing an important mission and they need our support to do it."

Colello said he sees potential for expanded clothing and textile support to the Coast Guard, especially in the area of equipment, where the Coast Guard has unique needs. By partnering with DLA, the Coast Guard will be able to ensure the equipment it purchases is the highest quality and meets stringent standards. The service will also enjoy the cost savings that come with DLA's partnerships with vendors. Along with these big-picture benefits comes the flexibility and quality customer service that come from having an established relationship with an agency, Colello said.

He cited an example of a dress uniform coat the Coast Guard has used for many years. The coat was very intricately designed and sewn, so the Coast Guard

A Coast Guard crew member hands over a crate of supplies including food and water to a fishing vessel's crew during a tow. DLA Troop Support provides food for the service's multiple classes of ships.

was having trouble finding vendors to supply it, he said. In response, one of DLA Troop Support's master tailors worked closely with the Coast Guard and redesigned the entire coat to make it less expensive and easier to manufacture.

"It's those little things that we can do when we reach out to customers that are a little bit above and beyond what we typically think of DLA," he said. "This is a small service, and it's a very intimate relationship that we have built with them."

In the area of subsistence, DLA's established relationship with the Coast Guard allows for flexibility in supporting different vessels and installations according to their needs, Smisko said. To facilitate that relationship, a Coast Guard representative works with the DLA Troop Support subsistence supply chain, coordinating the service's needs with the agency. Having this flexibility in subsistence support is important because Coast Guard vessels range in size, and

some can support full-service kitchens while others can only bring only enough food for each mission, she said.

When it comes to on-shore dining facilities, she said, the level of support provided also varies depending on the size of the facility and how many service members it supports. Of the Coast Guard's 370 dining facilities, about 50 use DLA's subsistence prime vendor program, so there is room for

Amy Spc. Danielle Hendrix



Coast Guard Petty Officer 1st Class Scott Manfre heats meringue during a competition at Fort Lee, Va. DLA Troop Support Subsistence supports about 50 Coast Guard dining facilities through its prime vendor program.

expansion, she said.

The areas of medical support and vessel maintenance are also ready for expansion, as the Coast Guard has many of the same needs as the other services, she said.

As DLA Troop Support works to expand its support to the Coast Guard, leaders are learning valuable lessons about that service and the unique needs it presents, Smisko said. Each service performs its logistics support differently, with some centralized, others decentralized, some supporting continuous deployments or classified locations, and so on. Working with the Coast Guard allows DLA to expand its expertise and find new ways to support customers, she said.

"One of the many challenges for DLA in working with our customers is to understand the different services' organizational constructs and keeping abreast of the latest developments within each service," she said. "The Coast Guard is a unique instrument of maritime safety, security and environmental stewardship, and our goal is to provide the same outstanding support we give to all customers." ☀

Photo courtesy U.S. Coast Guard





By Land and By Sea

Story by Amanda Neumann

The Coast Guard is accustomed to maintaining its independence while patrolling the waterways of the United States and beyond. And the recent transfer of the management of some of its inventory of both common and unique items to the Defense Logistics Agency will help the service free up more space and manpower.

The Coast Guard falls under the Department of Homeland Security, but DLA treats it like any other branch of the military, said Dan Neidert, DLA Land and Maritime customer relationship management cell chief for the Coast Guard.

“Although their number of requisitions is substantially smaller than the other services, there’s no real difference in the way we support them,” he said. “They submit requisitions through their supply system, and it comes into our system. If the stock they’re ordering is available, we’ll ship it right out to them. It’s the same as any other service. Providing our customers their needed parts expeditiously is mission essential.”

A requisition, an order for a part or group of parts, can come to DLA either

directly from a ship or from Coast Guard logistics centers.

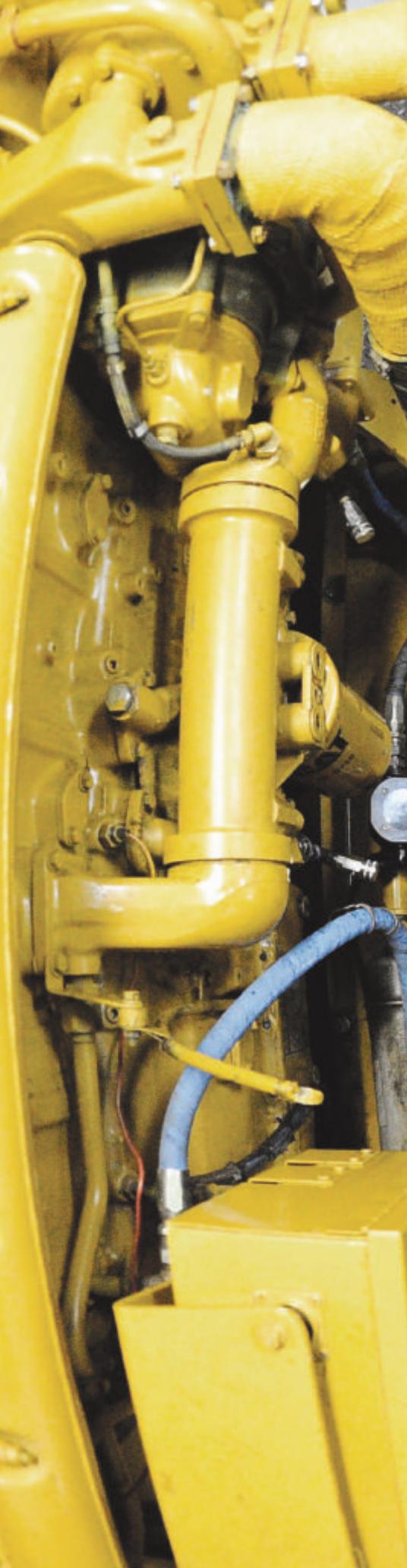
“Usually one requisition is for a specific part, but there are ways they can order multiple parts,” Neidert said. “Our monthly average number of Coast Guard requisitions is 16,123. That’s how many orders come to us just from the Coast Guard each month.”

DLA makes it a priority to get inventory out to customers quickly.

“Let’s say they’re working on a ship, which obviously they do quite a bit, and they need spark plugs for it,” Neidert said. “They’ll put in an order through their supply people and they’ll drop an electronic requisition into the system, which comes through our system. It gets sent out to one of our depots to ship it out to them. If everything is flowing correctly, the turnaround time takes half a day from when the requisition hits our system and goes to the depot, sometimes even as quickly as two or three hours.”

Coast Guardsmen drain coolant from a ship’s diesel generators. DLA has taken over requisition orders on both common and unique items from the Coast Guard, including items needed for emergency repairs.

Coast Guard Petty Officer 2nd Class Etta Smith







United States Coast Guard

Although most product requisitions are filled quickly, if a requested product isn't in stock, the requisition then goes on back order until replenishment stock is received.

"Our monthly material availability for the Coast Guard is 95.13 percent," Neidert said. "That's the percentage of requisitions that are shipped without going on back order. That's important because it shows how many orders we fill right away without having any hesitation. Over 95 percent got processed without a delay because it was in the warehouse when they ordered it."

With fiscal 2012 sales to the Coast Guard of \$82 million, up from \$73.9 million in fiscal 2011, Neidert said he expects inventory sales to continue to increase, mainly due to the service's aging fleet.

"It's hard to pinpoint a popular item that's ordered," he said. "Hardware support is most of it, which includes nuts, bolts, valves, sheet metal and [gaskets]. One of the challenges with supporting the Coast Guard is that some of their equipment and platforms are older, so it can be difficult to buy their parts."

Based in Columbus, Ohio, DLA Land and Maritime has three customer account specialists who provide dedicated support solely to the Coast Guard.

"The customers come to us whenever there is a problem with an order," Neidert said. "With over 16,000 requisitions every month, there's bound to be some problems here and there. We typically answer about 300 inquiries monthly, what we call supply assist requests. When there's some sort of problem, it could be anything. It could be that they got a part they didn't get

billed for or it could be a part that they need right away but we don't have on the shelf."

For Neidert and his team, it's all about customer service.

"Depending on what type of SAR the Coast Guard sends us, the [customer account specialists] will contact the procurement side of supplier operations to try to expedite the pre-award side of procurement," he said. "If it's on contract, they'll contact the post-award part of procurement to see if deliveries can be made faster than the contractual date. If the contract is beyond its contractual date, they'll go back to the contractor to find out when they can actually deliver."

The account specialists, who usually receive their orders from Coast Guard logistics centers, serve as the primary entry points into DLA, said Joe Meyer, acting industrial division chief at DLA Land and Maritime.

Although the logistics centers usually send requisitions, Coast Guard ships can also order directly, Neidert said.

"It works pretty much the same as the logistics centers," he said.



The Coast Guard medium endurance-class cutter USCG Seneca gets underway from Naval Station Guantanamo Bay, Cuba, after taking on fuel and stores. In fiscal 2012, the Defense Logistics Agency sold more than 58.6 million gallons of fuel to the U.S. Coast Guard.

Neidert said Coast Guard ships generally order to keep their shelves full. Each ship has specific requirements for how many of a given part it needs to have on hand, and when supplies run below those levels, they order more.

"When something breaks and they don't have it, it can become urgent," he said. "With things like a broken valve, they weren't planning on that, so they will call direct and order it."

"They're providing the status of the order," Meyer said. "It depends on what the customer is asking; sometimes it can be a billing question or a quality question. It could be, 'Hey, this product is back ordered but we need this shipment to be expedited.' It can be a whole array of things. For any one of their orders, they can call one CAS and the CAS is going to navigate all areas of DLA to give them their answer. They're dedicated to specific customers."



DIRECTOR'S GUIDANCE

2013



DEFENSE LOGISTICS AGENCY

Fiscal Year 2013 Director's Guidance



Mark Harnitchek

Vice Admiral, SC, USN
Director, DLA

At the Defense Logistics Agency, 2013 is the year of Big Idea execution. In 2012, we identified strategic focus areas to achieve significant savings. In 2013, our ideas become actions that lay the groundwork for FY14 savings.

By focusing on excellence in our daily operations and driving additional transformational change, we are driving warfighters' success. We are building our future on a rock solid foundation of past accomplishments and getting out in front of warfighter and fiscal challenges.

This Director's Guidance is our road map to significantly improve support to the warfighter and dramatically reduce cost. And as we face an uncertain future fraught with significant fiscal and strategic challenges, we must remain resolute and lead the way in innovation and transformation.

DLA's highly skilled, diverse and agile workforce is the keystone to our success. I'm counting on you to continue to do a superb job and make a difference each and every day. We must meet or exceed our basic business performance and pursue our strategies to meet the future. Every DLA employee has a role and responsibility to implement this guidance. Acting together, with enthusiasm, optimism and focus, we WILL achieve great things. Seize the opportunity; don't wait; and make things happen. What you do makes a difference!

*"Significantly improve performance
while dramatically reducing cost"*

There are several emergent themes for DLA in 2013:

Afghanistan: Win the current fight and pivot to retrograde and transition:

Our approach is to utilize a regional approach through partnering with maximum early disposal, retrograde and lines of communication usage.

Contingencies and Humanitarian Assistance & Disaster Relief Support:

Our approach is to get ahead of requirements and have the right material based forward with contingency contracts in place to provide immediate support. Remember that responsiveness is the coin of the realm, so act with a sense of urgency. Our fellow citizens are counting on you.

Industrial & Platform Support:

Get ahead of logistics support for F-35, Littoral Combat Ship and Inventory Management and Stock Positioning at Fleet Readiness Centers, while supporting Strategic Network Optimization, Peak Policy and Next Generation forecasting and inventory reductions.



2013 Director's Guidance

Our 2013 priorities to significantly improve performance while dramatically reducing cost are:

- Decrease Direct Material Costs
- Decrease Operating Costs
- Achieve Audit Readiness
- Reduce Inventory
- Improve Customer Service



DECREASE DIRECT MATERIAL COSTS:

“Be smart buyers of the right stuff”

Reduce material costs to achieve \$10 billion in overall savings in five years

Strategies to reduce total direct material costs:

- Reverse auctions
- “Should Cost” analysis
- Commercial-type contract terms
- Substantial industry partnerships
- Performance Based Logistics and Prime Vendor contracts
- Procurement systems and process improvements
- Strategic sourcing

*“Significantly improve performance
while dramatically reducing cost”*

DECREASE OPERATING COSTS:

“Improve process and productivity”

Reduce operating costs to achieve \$10 billion in overall savings in five years

Strategies to decrease operating costs:

- Consolidate and co-locate infrastructure
- Achieve BRAC “Day 3” efficiencies
- Optimize the global distribution network
- Enhance retail industrial support
- Incorporate process improvements

REDUCE INVENTORY:

“Clean out the attic and keep it clean”

Right size both War Reserves and operational inventory

Strategies to reduce inventory:

- Review and adjust strategic requirements
- Right size inventories
- Leverage commercial supply chains without redundancy
- Enhance EMALL
- Improve planning and forecast accuracy



2013 Director's Guidance



IMPROVE CUSTOMER SERVICE:

“Delight our customers”

Improve customer service and measure performance by customer standards

Strategies to improve customer service:

- Expand and strengthen customer/supplier collaboration ... everyone in the enterprise should be talking to your suppliers.
- Excellence in inventory management: Buy enough, buy on time and execute the contract.
- Talk to your Service and COCOM customers ... fix what's not right or doesn't work.

ACHIEVE AUDIT READINESS:

“Prove it”

Demonstrate our commitment to transparency and accountability.

Strategies to achieve Audit Readiness:

- Culture of judiciousness ... this is an All Hands effort
- Identify and drive improvement opportunities.
- Expand Audit Readiness beyond process integrity to process excellence

Give us your

BIG IDEAS



Improve
Customer
Service

Decrease
Direct
Material
Costs

Reduce
Inventory

Decrease
Operating
Costs

Achieve
Audit
Readiness

2013 Director's Guidance

DIRECTOR'S 2013 PRINCIPLES

We are living in historic times ... doing things we've never done before ... make some history yourself.

Push for smart things to do ... don't wait for the requirement ... or for folks to ask.

No one knows this stuff better than us ... act like it.

I trust you ... prioritize, do it your own way but get it done or ensure it gets done.

This is your time ... do big things and make it better. If not you, who? If not now, when?

Relationships are key ... build them and use them.

Take care of one another.

Keep promises.



On the Flight Deck

Story by Amanda Neumann

Defense Logistics Agency Aviation supports the Coast Guard with spare parts for the service's helicopters and cargo planes. The organization primarily supports the Coast Guard's MH-60 Jayhawk helicopter, said Craig Eaton, weapon system program manager in Richmond, Va.

"Right now, the Coast Guard is transferring from the HH-60J helicopters to the MH-60T models," Eaton said. "It's the same basic airframe the H-60 always has been, just with upgraded radars and avionics and systems. The new Coast Guard T model has a different system so they can better perform their homeland security mission."

Servicing a fleet of 42 MH-60 helicopters, DLA Aviation processed more than 450 requisition orders in December 2012 alone, Eaton said.

"Because they are one of the armed services, we provide any support they need. We treat them as any other service, though their mission is not as broad" he said. "They are considerably smaller than the other military branches, so we have to adjust."

To better support the unique needs of the Coast Guard, keeping communication open between the agencies is a must, Eaton said, adding that it's particularly important for good communication with the Coast Guard's primary logistical support personnel in Elizabeth City, N.C.

"We have a monthly phone call with the Coast Guard logistics leads in Elizabeth City," he said. "We go over issues of concern for supply support and parts they're interested in for their entire

fleet of about 42 airframes. In addition to the MH-60s, they also fly the C-130s and other types of aircraft based on what their mission involves."

With an increased interest from the Coast Guard in the past few months, Eaton has started adding discussion of line items beyond the normal maintenance materials, such as hoses used to repair and maintain aircraft, to the monthly call.

"I've seen a slight increase in the last six months in working collaboratively," he said. "They're essentially self-sufficient, and they rarely reached out for outside support besides requisitions. We've usually been able to work them in with other services that fly the same airplanes. With the level of interest increasing, we're now talking about getting special interest items on our workable spreadsheet."

Each part can mean the difference in an aircraft's critical usage and can contribute to the Coast Guard's overall ability to operate, Eaton said.

"Let's say, for example, Elizabeth City has 10 aircraft assigned and they have two down needing parts," he said. "Now they're at 80 percent mission capable, and those two become critical. That's unacceptable. It's important they start putting in those critical requisitions for what they require and we fill them as fast as we can." 

Jayhawk rescue helicopters taxi down the runway at Coast Guard Air Station Kodiak, Alaska, in preparation for a formation flight. In addition to managing the Coast Guard's inventory items, DLA provides support including fuel and spare parts.

— Photo courtesy U.S. Coast Guard Atlantic Area





Fueling Enforcement

Story by Amanda Neumann

Each day, more than 35,000 active-duty members of the Coast Guard provide a federal law enforcement presence over the entire U.S.-exclusive economic zone, covering nearly 3.4 million square miles of ocean, and it relies on fuel from Defense Logistics Agency Energy to accomplish this vast mission.

Kathryn Fantasia, director of DLA Energy's direct delivery fuels, explained the organization provides fuel to the Coast Guard through its Posts, Camps and Stations Program, which provides diesel, heating oil and gasoline to fixed facilities such as Coast Guard stations.

"Right now, we have 50 contracts," she said. "The numbers can change if a contract expires. As they expire, we award new contracts, so those numbers

do vary over the purchase program. But each contract is usually three years long."

With 225 items under PC&S contracts, each specific to a location and a type of fuel, DLA Energy provides the Coast Guard more than 27.7 million gallons of fuel overall. Many stations request different types of fuel, which vary due to where it is being delivered, Fantasia said.

"For example, under the Posts, Camps and Stations Program, the CG requires ground fuels delivered. Ground fuels are commercially available fuels, like gasoline and diesel," Fantasia said. "Depending on the delivery location, the types of diesel can vary due to seasonal temperature variations."

DLA Energy also provides the Coast Guard with significant quantities of military-specification fuels, said Bruce

In 2012, DLA Energy sold more than 24 million gallons of fuel to the Coast Guard through the Bulk Fuels Program.



Blank, deputy director of Supplier Operations-Acquisition.

"We supply the Coast Guard with a variety of military-specification fuels under our bulk programs as well," he said. "F-76 is a ship's propulsion fuel that the Navy also uses. We buy that in large quantities, store it and distribute it out to our customers because it is a unique product. JP5 is used for shipboard use on carriers. It has a high flash point so it's a safer fuel. JP8 is the land-based jet fuel that the Air Force and the other services use. It's much like commercial jet fuel, but it has some slightly different refined aspects to it and additives."

In 2012, DLA Energy sold more than 24 million gallons of fuel to the Coast Guard under the Bulk Fuels Program, the majority being fuels used on vessels and aircraft, Blank said. Another initiative,



A Coast Guard helicopter fuel team refuels an HH-65 Dolphin helicopter as it continues to run aboard a cutter in the Bering Sea. DLA Energy provides a variety of fuels for the maritime service.

DLA Energy's Ships' Bunkers Program, consists of 23 contracts spanning six countries. The program allows Coast Guard vessels to purchase fuels at authorized ports for contract prices and provided more than 38.8 million gallons of fuel to the Coast Guard in fiscal 2012.

"We contract at different ports around the world and put specific quantities of fuel on contract," Fantasia said. "The Coast Guard is an authorized customer so if they have a vessel that needs commercial-grade fuel, they would go to that port, utilize our contract and purchase fuel at our contract price. That's typically marine gas oil, which is the commercial equivalent to F-76."

Another similar program is the Into-Plane Program, Fantasia said.

"We have contracts at commercial airports around the world, and the Aviation Into-plane Reimbursement card is an ordering mechanism for pilots to refuel at those airports," she said. "The aircraft can land, they can use the card with our contractor and they can purchase jet fuel for their aircraft at commercial airports. They can also use it where we have merchant agreements with non-contract locations to do what we call a local purchase of jet fuel. It's like a normal credit card."

Through a combination of both contract and non-contract purchases, the Coast Guard purchased more than 7.8 million gallons of fuel in fiscal 2012 though the Into-Plane Program.

"The difference between the two is in

the contract's pricing," Fantasia said. "If DLA Energy solicits an award to contract at an airport, it's cheaper. Non-contract is when we don't have a contract and it's considered a local purchase."

By purchasing fuel through programs the other military services already use, DLA Energy is able to charge the Coast Guard the cheaper Defense Department prices, Fantasia said.

"We treat the Coast Guard as a Defense Department customer in that they get the DoD standard price," she said. "Non-DoD customers are charged a cost-plus price, which includes a fee. A lot of different elements go into our standard price, but it mainly includes the cost of products and any overhead. Since they're not charged a fee, they can use the fuel programs just like any of the other services do." 

A Conversation with...

David Kless

The Man Responsible for DLA's International and Federal Programs Talks About the Challenges of Supplying Customers Outside the Defense Department

Describe your role in overseeing the sales programs you are responsible for.

As the national account manager for international and federal programs, I work with a great group of individuals, which makes my job exciting. Our team is responsible for engaging DLA's Foreign Military Sales customers as well as federal, state and local government customers.

We are the focal point

for each service's FMS program, interfacing with the international logistics control offices. We support logistics requirements for more than 50 countries by providing repair parts and develop and implement FMS policy.

We also engage federal, state and local agency customers to develop partnerships and translate their requirements into logistics solutions.

In addition, we provide support to all customers

through joint customer support programs such as the DLA Customer Assistance Logistics Course, the customer website, the DLA Customer Assistance Handbook and other customer support tools.

How big a piece of DLA's business are these partners? Is that number growing? Why?

Over the past five years, our FMS annual sales averaged approximately \$2.4 billion. On the federal side, we are expanding current and forming new partnerships. While the amount of business we do with these agencies is relatively small compared to Defense Department customers, it is important to pursue new opportunities to expand DLA's business base since we anticipate a reduction in sales from our traditional customers as a result of budgetary decisions and drawdown efforts in Afghanistan and Iraq.

We have a strong



Courtesy Photo

David Kless, DLA's national account manager for international and federal programs, discusses logistics issues with Coast Guard Cmdr. John Branch, director of operational logistics in the Coast Guard Office of Contingency and Deployable Logistics.

"While the amount of business we do with these agencies is relatively small compared to Defense Department customers, it is important to pursue new opportunities to expand DLA's business base."

partnership with the Federal Emergency Management Agency, providing food and fuel for disaster relief support. The amount of business with FEMA fluctuates from year to year depending on the magnitude of disaster relief efforts, but last year, we provided more than \$58 million worth of disaster relief support.

The Coast Guard is another strong partner and represented \$285 million in sales in fiscal 2012. We see opportunities over the next year to significantly expand support to their boats and cutters, enabling the Coast Guard to focus on their core competencies.

Can you explain how working with DLA saves the Coast Guard money and how other agencies could benefit?

The Coast Guard is a great example of where DLA can provide real benefit. The Coast Guard's logistics requirements are very similar to other

military services. In many cases, the service is procuring items from the same vendors, competing with DLA. Because of the volume of commodities that DLA acquires, we are able to negotiate significantly lower material acquisition prices, and customers benefit by paying a lower cost for items. This approach is applicable to any federal agency.

Besides the support DLA provides for the Coast Guard, what are some of the ways the agency supports other federal agencies?

The Department of Homeland Security is interested in identifying and leveraging DLA distribution and warehousing capabilities. Currently, DHS is looking to consolidate multiple warehouses across the country. We are working with them to develop options to strategically position material using existing DLA infrastructure.

We recently met with

officials from the Department of Health and Human Services regarding opportunities to support their medical caches. Currently, HHS is responsible for procuring material to support these caches. A lot of these are the same items that DLA already provides through prime vendors, and HHS is looking to leverage DLA's buying power to reduce its costs.

What types of supplies do we provide for international partners?

We provide a wide variety of supplies to our Foreign Military Sales customers through all nine of our supply chains, with the majority of sales through our energy, aviation, land and maritime, industrial hardware, and construction and equipment supply chains. We continue to collaborate with the military services and coalition partners to identify new opportunities for logistics support.

A Conversation with...

What role does your office play in disaster relief and humanitarian assistance?

FEMA is the lead agency in U.S. disaster response, and we have developed a strong logistics partnership with FEMA. We provide food and fuel and are looking to expand support to FEMA and other federal agencies like the U.S. Army Corps of Engineers and the American Red Cross to reduce response times for rapid deployment of resources. Hurricane Sandy is an example where DLA provided additional logistics support to include power restoration, pumping and debris removal.

What are some of the unique challenges in dealing with partners outside the Defense Department?

One unique challenge is getting agencies to see DLA as a global logistics provider, not a capability limited to DoD. In the current fiscal environment, it is critical to look beyond independent logistics solutions and leverage existing capabilities that achieve the best value for all.

Another challenge is the ability of non-DoD customers to access our logistics systems. The 1122 Program is a congressionally mandated program authorizing state

"One unique challenge is getting agencies to see DLA as a global logistics provider, not a capability limited to DoD. In the current fiscal environment, it is critical to look beyond independent logistics solutions and leverage existing capabilities that achieve the best value for all."

and local agencies involved in counterdrug, homeland security and emergency response activities to procure material from DLA. However, only 10 states have the ability to access our logistics systems and place orders electronically since these systems require a DoD-specific common access card. Linking the unique procedures of other agencies to the standard DoD systems is another recurring challenge, especially when processing funding between agencies.

What does the future look like for DLA's international and federal programs?

The future looks very bright; each customer engagement brings new opportunities. The partnerships grow as we learn about their requirements and other agencies learn about DLA capabilities.

For state and local customers, there is so much untapped potential. Every state is involved in homeland security, emergency response or counterdrug missions, but very few are able to take advantage of everything we offer. We need to continue identifying and breaking down barriers, making our systems talk to each other, and affording these customers the same great value we provide to DoD customers.

Is there anything else you'd like to add?

I have been in this job 18 months, and it has been as exciting and challenging as any tour I had during my 26 years in the Navy. I have a great team that continues to push for new ideas and drive change when necessary, and they understand that expanding our business outside of DoD requires nontraditional solutions. ☺

QUOTABLES

“The department has articulated a sound strategy, and ... we will be charged with supporting that strategy through effective acquisition of products and services across the full spectrum of Defense Department needs. We must do everything we can to execute effectively — to extract full value from the money with which we are entrusted.”

— *Undersecretary of Defense for Acquisition, Technology and Logistics Frank Kendall, in the January/February 2013 issue of Defense AT&L*

“There is physics involved for retrograding out of Afghanistan, so we need to know the rough order of magnitude so we can begin planning.”

— *Chairman of the Joint Chiefs of Staff Army Gen. Martin Dempsey, on the drawdown of forces in Afghanistan*

“Without it, we probably wouldn’t be able to do the job we do. The DoD has really helped us.”

— *Knox County (Tenn.) Sheriff’s Office Sgt. Lee Dunn, on Humvees his office acquired through the Law Enforcement Support Office*

“Usually when I see you, you’re dirty and covered in grease and grime. What’s unique about you is you bring something that really nobody else can do.”

— *Marine Col. Frank Donovan, commander of 24th Marine Expeditionary Unit, speaking to members of Combat Logistics Battalion 24 about their deployment to Greece, the Middle East and North Africa.*

“This year, we really need to focus on achieving our annual small business goals as a collaborative effort; without small businesses we lose much of the innovation, goods and services essential to warfighters’ success.”

— *DLA Acquisition Director Nancy Heimbaugh, in a blog to the agency’s workforce*

BY THE NUMBERS

27,800

Projected increase in the number of jobs for logisticians between 2010 and 2020, a 26 percent uptick from 2010’s 108,900.

Source: U.S. Department of Labor

22

Hours it took DLA Troop Support Medical to ship 140 kits of the cyanide-poison medication Cyanokit to U.S. Southern Command after a Jan. 27 nightclub fire in Santa Maria, Brazil.

1944

The year the Coast Guard’s oldest cutter in active service, the *Smilax*, was commissioned. The service’s “Queen of the Fleet” is home ported in Atlantic Beach, N.C.

82.6 PERCENT

DLA employees’ satisfaction with the agency’s telework program, up from 58.3 percent in 2011.

Source: Office of Personnel Management 2012 Federal Employee Viewpoint Survey

Above and Beyond

Story by Lally Laksbergs

A team of Defense Logistics Agency human resources specialists working in Columbus, Ohio, provides personnel services to more than 46,000 employees in several defense agencies.

DLA Human Resources Services, Department of Defense Customers branch provides human resources services and charges customers enough to cover expenses. Human resources services include recruitment, classification, labor management and employee relations, benefits and entitlements, personnel action processing, and personnel files maintenance.

"We operate like a business but do not profit from the business," the organization's senior business adviser, Monica Thacker-Duncan, said.

This diverse HR servicing program came about after the 2005 Base Realignment and Closure Commission consolidated civilian personnel offices within the military departments

and defense agencies. Specifically, transactional human resources work for the Defense Commissary Agency, the Washington Headquarters Services and the Department of Defense Education Activity was transferred to DLA Human Resources Services.

"DLA Human Resources has a long history of success," said Jill Dixon Cromer, DLA Human Resources Services, DoD Customers' director. "This success was a significant factor in the BRAC decision that afforded DLA Human Resources the opportunity to support other DoD agencies and activities."

In March 2006, DLA Human Resources personnel began staffing the new DoD Customers Human Resources Center to support the consolidated civilian personnel offices. They officially began servicing the first customer, the Defense Threat Reduction Agency, in June 2007.

As the new DoD Customers Human Resources Center was being established, human resources professionals needed

to be hired to service this new customer base. Recruiting for staff began by sourcing from local private and federal agencies near Columbus that included the Department of Veterans Affairs and U.S. Postal Service, as well as private industry, Thacker-Duncan said.

A college intern program was developed in order to hire students to enter the human resources career field upon graduation. The program was instrumental in hiring 30 qualified college graduates for the DoD Customers Human Resources Center.

"In the logistics world, DLA has added incredible value to the department over the years by taking on common functions, applying standard processes and technology, and generating efficiencies, cost savings and improved performance. We've just expanded that concept to the human resources support function," DLA Human Resources Director Brad Bunn said.

Human resources support to DoD





"I am always confident when talking with Missile Defense Agency senior leadership that even though we don't have a person on the ground, the services provided by DLA in this area are superb."

— Donna Davis

customers is provided by three teams. The largest customer is DoDEA, with more than 18,000 employees worldwide. The next largest is DeCA, with about 14,000 employees. Each of these large customers has a specific team that works solely for personnel transactions related to that agency. The third team, Fourth Estate, provides personnel services to the remaining customers: DTRA, the Defense Advanced Research Projects Agency, the Missile Defense Agency, the Defense Security Service, the Defense Media Activity, the Washington Headquarters Services and the Office of the Secretary of Defense. OSD encompasses more than 40 activities, agencies, offices, staff and organizations within that customer agreement.

"Our HR professionals have to be familiar with a number of unique hiring regulations and procedures," Thacker-Duncan said. "For example, DoDEA employees are located all over the world, and we not only process their hiring, but

we also process their entitlements and benefits no matter where they are located.

"Every transaction is unique because you are dealing with a person," she added.

With more than 2,300 employees assigned worldwide, regular interaction and responsiveness to personnel needs has been appreciated, Missile Defense Agency Human Resources Director Donna Davis said.

"I am always confident when talking with MDA senior leadership that even though we don't have a person on the ground, the services provided by DLA in this area are superb," she said.

Ongoing regular interactions allow for opportunities to discuss issues, stay on top of priorities and ensure communication stays open, Davis said.

DLA's proactive approach to communication with customers enables them to work smarter with the least amount of disruption and confusion when new products are released, said Julie McGovern, deputy chief of the

Defense Security Service's Human Capital Management Office.

"We have really enjoyed working with DLA and feel they are true partners in our success," she said. "Each and every person that supports us has been responsive to our requests and professional in how they conduct themselves and in the work product delivered. We don't receive a 'no' response without good reason, which is documented and includes reference to regulation."

Thacker-Duncan said automated systems assist in providing human resources support to the varied agencies.

"The customers we have are elated at the level of service we are providing them," she said. "They are shocked when they are used to getting some products a month later, when we might get it to them in a few days."

Bunn seconded the sentiment.

"None of this would be possible without the outstanding DLA Human Resources employees who make it work," he said. ▀

Agents for Change

Story by Lally Laksbergs

The Defense Logistics Agency Logistics Management Standards Office, part of the Program Executive Office within DLA Information Operations, plays a vital role not only within the agency, but also in supporting the Office of the Secretary of Defense.

"DLMS is a system, but not in the traditional sense," DLMSO Director D.C. Pipp said.

DLMS is a compilation of procedures, standards, code lists, metrics and policies all synchronized to promote joint logistics interoperability, he said. The organization serves as the Defense Department's executive agent for logistics information exchange, a DoD mission that supports OSD's Supply Chain Integration, Defense Procurement and Acquisition Policy Office and the OSD comptroller. DLMSO's customers come from across the Defense Department, including the military services, defense agencies, select federal agencies, state, local and foreign

governments, and the private sector.

DLMSO identifies inefficient processes, deletes obsolete guidance and develops new capabilities to streamline logistics operations across and between multiple partners, Pipp said. This lofty goal is achieved through integration, standardization and continuous process improvements to logistics management business processes and operations.

Pipp explained that interoperability can be interpreted in many different ways. DLMSO's challenge is to connect supply chains and service providers throughout DoD. While all DoD logistics organizations continuously improve their support to warfighters, DLMSO has a unique mission with joint logistics interoperability at its core, he said. It manages the process that delivers business rules, information exchange transactions and data standards that logisticians around the world depend on, he said.

DLMSO's challenging roles include developing business rules that implement

DoD policy, developing and managing the DoD logistics information exchange infrastructure, and publishing detailed procedures, Pipp said.

DLMSO is an 11-person team, and its members bring extensive logistics and information technology experience to the table, Pipp said. A core challenge for the DLMSO staff is the need to be familiar with the wholesale and retail systems, enterprise resources planning programs, and legacy operations of all DoD components and select federal agencies, Pipp said.

"Don't be fooled by the staffing size of the operation. The impact of their efforts is far reaching, creating processes and capabilities that heretofore did not exist," he said. "Simply put, DLMSO is a champion for logistics interoperability."

Pipp said his staff members excel at being good at what they do.

"You can oftentimes find a good logistician having in-depth functional knowledge; you can oftentimes find an excellent [information technology] person; you seldom find the two in the same person. That is what DLMSO personnel are all about," he said.

"Assigned personnel have spent many years mastering their craft and becoming resident experts on military services' and agencies' logistics operations, and both the legacy and emerging enterprise

DLMS is a compilation of procedures, standards, code lists, metrics and policies all synchronized to promote joint logistics interoperability.

resource planning systems supporting logistics operations."

Tad Delaney, a logistics management analyst at Headquarters Marine Corps, said DLMSO is helpful in the issues he has to navigate while supporting the service's deputy commandant for installations and logistics.

"They (DLMSO personnel) really are the honest brokers," he said. "Pipp and his staff are the hall of famers when it comes to being technically astute, responsive and willing to guide others through the process."

It all begins with process review committees. One of DLMSO's requirements is to chair several process review committees: Supply, Finance and Department of Defense Activity Address Directory among them, Pipp said. PRCs include representatives from DoD components, the Coast Guard and other federal agencies.

"Not only were DLMSO and Pipp's team instrumental in ramping up my learning curve, they were essential in helping address the policy in applying to the other service components," said Delaney, who was part of the DoD Activity Address Directory PRC. "Because of being part of this, we have all developed a better stewardship of the database. We couldn't have done it without them."

The process begins with an idea, concern or mandate, he said. Then, through extensive research and collaboration, a new process emerges that is formally documented in defense

logistics manuals. Final products are refined, and new business processes that are standard, efficient and well documented are created.

The committees receive inputs from a variety of sources: OSD policy guidance, trading partners, DLMSO subject matter experts and DLA Transaction Services to name a few, Pipp said. In the early stages of the process, a proposed DLMS change is documented and coordinated with all components. Proposed business processes are thoroughly examined to ensure the objective is met. The intent is to create a more efficient business process that

efficient business process."

Once the change process is complete with all the functional requirements, the services and agencies then determine when to adjust their supply management systems and processes to take advantage of the new capability, he said. The primary focus of the committee's actions is a joint process, but if there are unique circumstances, certain processes are tailored to meet the needs of a single component.

An overall benefit that is difficult to express in words is the cross-component cooperation that creates a better understanding of what challenges, successes and complexities each component and agency is dealing with, Pipp said.

On rare occasions, cross-component agreement is not always possible and all participants may not agree to a given proposal. When that occurs and negotiations to resolve the stalemate don't progress to agreement, an escalation is set into motion, Pipp said. Of

the more than 600 process changes over the past six years, three have reached the point where Pipp did not have sufficient authority to decide the final outcome of a stalemate. Those cases were sent to the deputy assistant secretary of defense for supply chain integration for resolution.

"Three out of 600, approximately one-half of 1 percent, is testimony to the effectiveness of a proven process," he said. ☐

doesn't solve one problem to only create another, he said. This is a genuinely collaborative effort, and assuming all the details are worked out, leads to an approved DLMS change. At this stage, the process to formally document detailed procedures to improve support to warfighters has begun.

"Collaboration is key to successful process change," Pipp said. "The people who work for me are master facilitators, oftentimes taking an unclear requirement and ultimately creating a more

Honoring Valor

Story by Beth Reece

Rene Rioux remembers when FBI agents came looking for her father in November 1995. Investigators had confiscated two Medals of Honor from the black market, and his small, family-owned business, Michael A. Hessberg Inc., was one of only a few companies certified by the federal government to manufacture the medal's signature blue ribbon.

The FBI found no connections between Hessberg and the medals, but the experience gave meaning to the extra, painstaking steps Rioux saw her father's employees take to protect even the smallest scraps of ribbon.

"Every little bit that wasn't needed got locked up. It's used to help honor the nation's most heroic service members, so it deserves to be cherished," said Rioux, who now owns the fourth-generation manufacturing plant in Passaic, N.J.

The Medal of Honor is America's highest military award, authorized by Congress in 1861 to recognize bravery in war. It is so sacred that anyone who sells, manufactures or wears the medal without authorization is subject to a \$100,000 fine and time behind bars, according to U.S. law.

The clothing and textiles directorate at Defense Logistics Agency Troop Support works with Hessberg and other vendors to procure ribbon and metal decorations for the Medal of Honor. Only the "finest American craftsmanship" will do, said Lisa Vivino, chief of heraldics for the Dress Clothing Division. Vendors typically stick with old-fashioned processes and equipment because they give craftsmen a hands-on approach, she said.

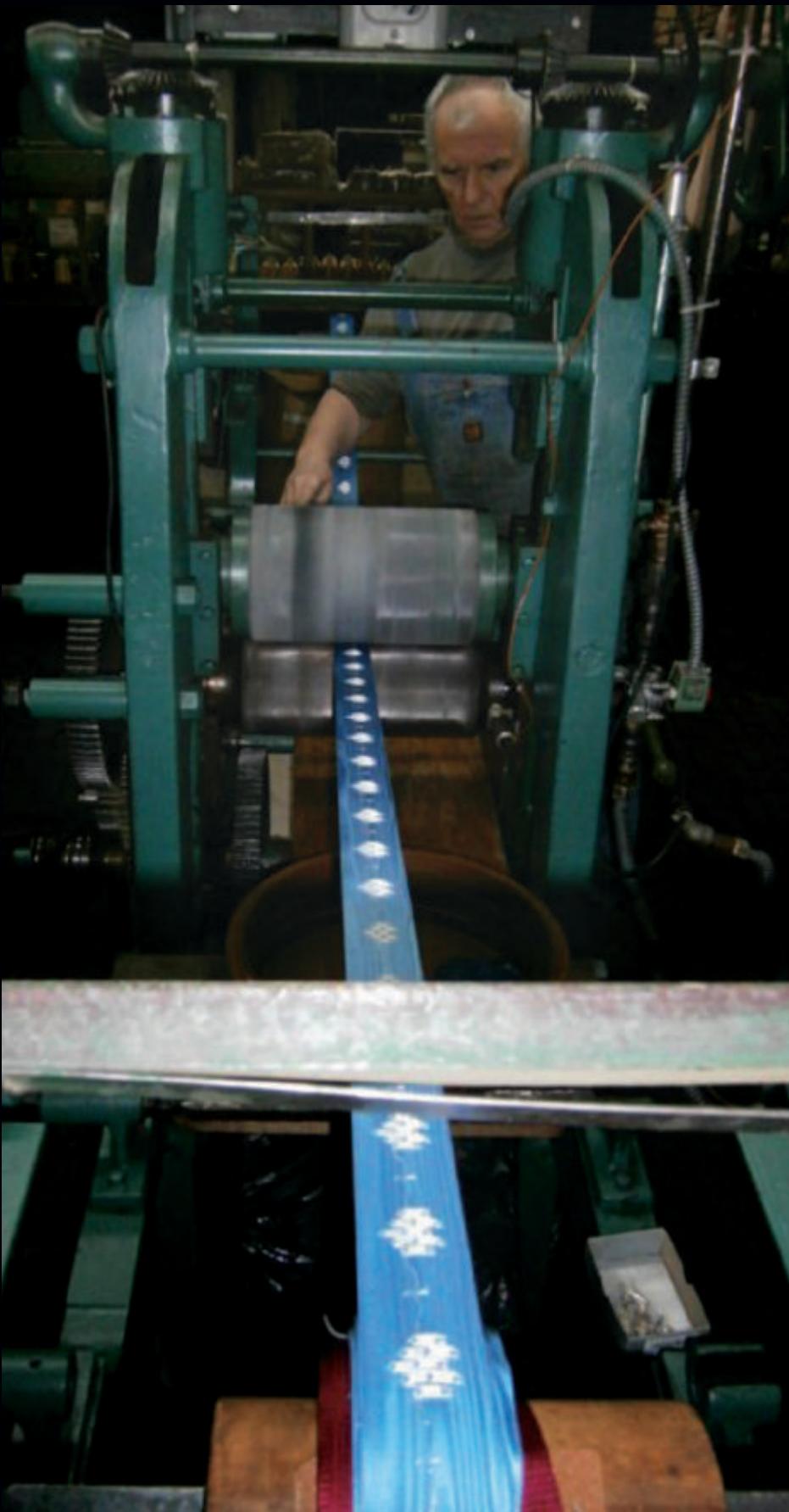
"One of the hardest parts is correctly placing the 13 stars that are embroidered into the ribbon, then following with the moiré process, which gives the ribbon its wood-grain appearance, without disrupting the pattern of the stars. It's a pretty tricky process," Vivino said.

President Barack Obama presents the Medal of Honor to former Army Staff Sgt. Clinton L. Romesha during a ceremony in the East Room at the White House in Washington, D.C., Feb. 11. Romesha received the medal for his actions during a daylong firefight in Afghanistan in October 2009.

— Photo by Leroy Council







Rioux' weavers have a dozen Jacquard looms, some so old they were purchased in used condition at the turn of the 20th century when her father brought the family business over from Hungary.

The wavy look left by the moiré process is as unique as a fingerprint, Rioux added. It's so difficult to achieve that weavers sometimes spend days perfecting machinery settings and tension so that the finished product meets the military's strict specifications. Rioux' weavers usually present several samples before quality assurance specialists at DLA Troop Support agree the ribbon is flawless and ready for full production.

"It's truly an art," Rioux said. "But while moiré has become a standard in military uniforms and decorations, it's just a trend in the fashion industry. It can be really hot, then go out of style for 10 to 15 years."

Equipment needed to make the ribbon has also become scarce, limiting the number of manufacturers capable of or wanting to produce it. Rioux' weavers have a dozen Jacquard looms, some so old they were purchased in used condition at the turn of the 20th century when her father brought the family business over from Hungary. Others no longer work but are routinely pillaged for parts to repair those that do. And regardless of a loom's condition, it will be slow.

"We can only produce about 8 yards of ribbon a day with one eight-hour shift, so we have to run multiple shifts or manufacturing takes a very long time," Rioux said

DLA Troop Support gives the ribbon Rioux' employees create to a separate vendor that's responsible for creating the

Harry Gernant, head weaver for Michael A. Hessberg Inc., oversees the production of the signature blue ribbon used to produce the Medal of Honor.



medallion and assembling all the parts, but leftover ribbon must be returned.

"What they return is practically scrap, but it's an insurance factor. If they send us too much back then we know they didn't use the right amount to create the neck drape. If they tell us they have nothing left because of errors, we have them send us the errors so we can verify that the ribbon is actually damaged and not going to get in the wrong hands or end up on the black market," Vivino said

The Army and Air Force each have their own versions of the Medal of Honor, while a third version is shared by the Navy, Marine Corps and Coast Guard. Each service maintains its own stock.

"The service determines when its stock is getting low and when to requisition additional quantities from us. That all depends on the president himself and how many times the medal is awarded. Sometimes it's only once or twice a year," she said.

According to the Congressional Medal of Honor Society, only one woman and 3,459 men have been awarded the Medal of Honor since the Civil War, and fewer than 80 recipients are alive today. The most recent recipient is former Army Staff

Sgt. Clinton Romesha, who received the medal in February for his actions as a section leader with 4th Infantry Division in Afghanistan. Romesha exposed himself to heavy enemy fire repeatedly during a 12-hour battle, giving his unit the opportunity to regroup and prepare for counterattack, according the award citation.

While most Americans have never actually seen the Medal of Honor except in photographs, Rioux' said her employees are proud of their role in producing it. And for her, the medal invokes both joy and sadness.

Jacquard looms used to weave the Medal of Honor ribbon produce only about 8 yards of ribbon in one eight-hour shift, and weavers may spend days perfecting the machine's settings and tension before the finished product meets the military's strict specifications.

"Many of the recipients died in service to our country, and those who have been alive and able to go to the White House and be presented with the medal are unbelievably humble. So many of them say it was just their job or they were just protecting their unit," she said. "We are all very proud to have a part in honoring them." ☈



Medals of Honor: (from left) Navy, Marine Corps and Coast Guard; Air Force; Army



I AM

DLA

My name is:
Jamie Shuster

I am:
I am a contracting officer for the Subsistence Prime Vendor Afghanistan section.

Describe your job in a sentence:
I purchase a full line of subsistence products for those military customers within the Afghanistan area of responsibility.

How long have you worked for DLA?
I have been a DLA employee for a total of five years.

What is your favorite thing about working for DLA?
No day is ever the same.

What is your best memory of working here?

Although I am young in my career, my best memory was my trip to Kuwait to formally meet with a customer. Such trips build trust, and it is always nice to know the people you conduct business with on a daily basis.

How do you make a difference to warfighters?
Food is the best way to a warfighter's heart.



Jamie Shuster